

Presented to:



Financial Performance – FY16 Q3



Data | Domain | Delivery

January 29, 2016



Financial Summary



Metrics		FY16 Q3	Q-o-Q	FY16 YTD	Y-o-Y
Revenue	Total revenue (INR mm)	3,485	3%	10,025	41%
	OPG revenue (INR mm)	3,443	5%	9,711	41%
	OPG revenue (USD mm)	51.8	3%	148.5	31%
Profit	EBITDA (INR mm)	1,288	-4%	3,775	42%
	OPM (INR mm)	1,107	1%	3,092	49%
	Net profit (INR mm)	887	-4%	2,547	44%
Margin	EBITDA (%)	37%	-2%	38%	0%
	OPM (%)	32%	-1%	32%	2%
	Net profit (%)	25%	-2%	25%	1%
EPS	Basic (INR)	21.8	-5%	62.7	43%
	Diluted (INR)	21.4	-5%	61.4	43%

- USD and CC revenue up 3.2% and 4.2% Q-o-Q; YTD USD and CC organic revenue up 16.7% and 21.3% Y-o-Y
 - Some anticipated roll-offs extended till Dec end; now over
 - Reiterate flat revenue trajectory from Q2 to Q4; FY17 likely to be softer growth year
- Q3 OPM at 32.2% (down 115 bps Q-o-Q); FY16 OPM likely to be above 31%
- Bonus shares issue completed in Dec'15; YTD EPS up by 43%

Other Income – FY16 Q3 vs. FY16 Q2



Other Income	FY16 Q3	FY16 Q2	FY16 Q1	FY15 Q4
Investment & Other Income	19.1	15.9	19.9	53.5
Hedge Gain / (Loss)	2.9	(7.8)	(6.1)	94.0
Revaluation and Realised Gain	19.2	105.6	145.3	(50.9)
Total	41.2	113.8	159.1	96.5

Figures in INR million

- Investment Income up due to larger accumulated cash pool
- Change in Pre AS30 MTM is INR (-) 15.4mm, where as gain from Pre AS30 Hedge is 18.4 mm
- **Revaluation and Realised Gain**
 - USD/INR FY'16 Q3 exit : 66.33 vs. FY'16 Q2 exit : 65.74
 - EUR/INR FY'16 Q3 exit : 72.50 vs. FY'16 Q2 exit : 73.80

Hedge Updates



Current Hedge Status

- Total outstanding hedges now \$115.1 mm at average INR 70.23/\$; 100% forwards
 - 2.2 times quarter revenue vs. average of 2.6 times in preceding 4 quarters.
 - Since CLX has natural hedge, so effective hedge ratio will remain low

Contract	Year	Currency	Hedges pre AS30		Hedges under AS30	
			Amount (mm)	Average Rate (INR)	Amount (mm)	Average Rate (INR)
Forwards	FY16 Q4	USD	\$1.3	70.5	\$19.0	67.3
		Euro	€ 0.3	97.9	€ 2.6	80.0
	Total FY16 Q4 – Equiv USD		\$1.6	74.3	\$21.8	68.1
	FY17	USD	NA	NA	\$64.9	69.6
		Euro	NA	NA	€ 10.7	79.8
	Total FY17 – Equiv USD		NA	NA	\$76.6	70.1
	FY18	USD	NA	NA	\$11.7	73.1
		Euro	NA	NA	€ 3.1	81.6
	Total FY18 – Equiv USD		NA	NA	\$15.1	73.4
	Total			\$1.6	74.3	\$113.5

Note: EUR / USD taken at 1.09

P&L Comparison: FY16 Q3 vs. FY16 Q2

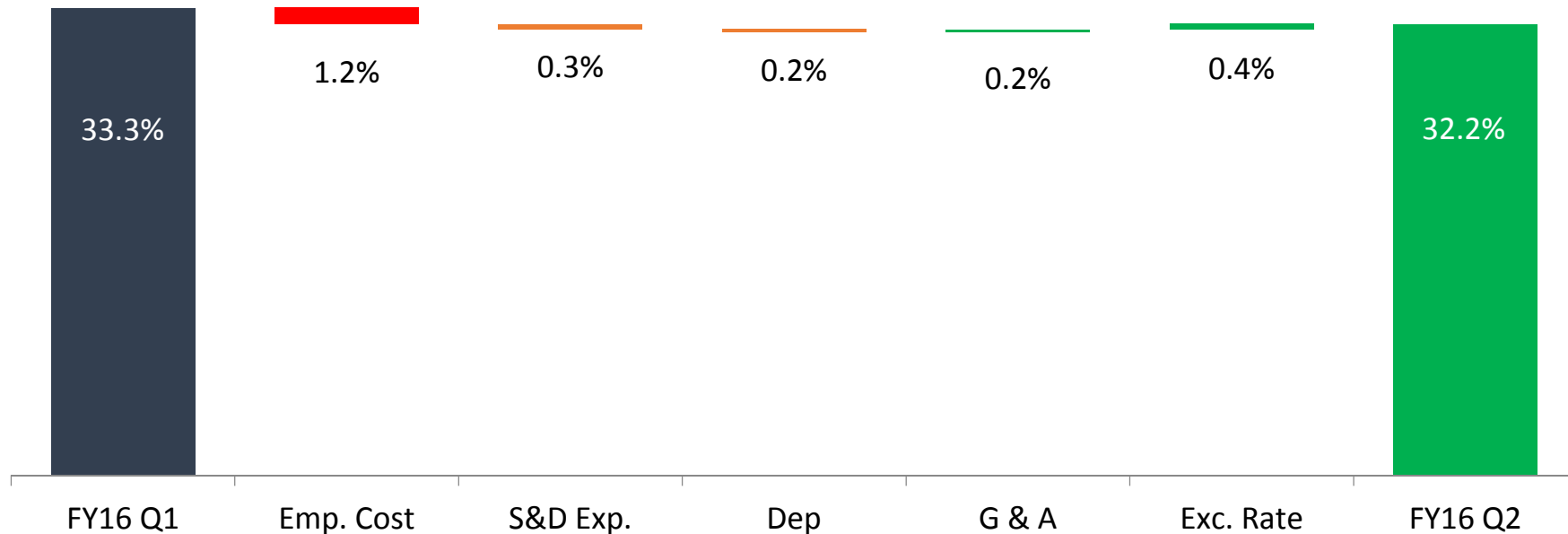


Operating P&L	FY16 Q3	OPR (%)	FY16 Q2	OPR (%)
Operating Revenue	3,443.4		3,285.1	
Cost of Revenues				
Employee Cost	1,360.6	39.5%	1,266.2	38.5%
General and Administrative Expenses				
Rent	130.8	3.8%	114.8	3.5%
Communication Expenses	52.4	1.5%	44.3	1.3%
Legal and Professional Fees	54.0	1.6%	38.4	1.2%
Electricity	31.3	0.9%	27.0	0.8%
Conveyance	18.1	0.5%	22.1	0.7%
Provision / Written off for Bad Debt	-	0.0%	0.0	0.0%
CSR & Donation	20.8	0.6%	10.9	0.3%
Others	85.0	2.5%	125.5	3.8%
Total G&A	392.4	11.4%	383.0	11.7%
Selling and Distribution*	443.9	12.9%	414.8	12.6%
Depreciation and Amortization	139.4	4.0%	127.2	3.9%
Total Operating Cost	2,336.2	67.8%	2,191.1	66.7%
Operating Profit	1,107.2	32.2%	1,093.9	33.3%
INR/USD	65.92		64.98	
INR/EUR	72.20		72.31	

Figures in INR millions.

*Selling and Distribution includes employee cost of onsite business development team.

OPM Bridging Analysis: FY16 Q3 vs. FY16 Q2



- **Increase in people cost related to onshore Delivery and consulting**
- **S&D – Increased Marketing Expenditure**

Note:

- Bridging analysis in constant currency; impact of currency movement for revenue shown under Exc. rate
- S&D Exp. includes employee cost of onsite business development team

Balance Sheet & Other Updates



- Total Cash and Cash equivalents of INR 4,262 mm vs 2,959 in Q2;
 - Equivalent to INR 104.7 per share;
 - Operating cash flow in YTD FY'16 is INR 2,862 mm vs 2,026 YTD FY'15
 - Capex during Q3 is INR 46 mm (Q1 INR 158mn & Q2 INR 197mn)
- Trailing 12 months EPS
 - Basic: INR 76.0; Diluted: INR 74.4
- Current book value per share of INR 241.9 vs. INR 218.3 last quarter (post bonus)

CSR Update

- Provided of INR 42.3 mn for existing and new projects in YTD FY16 related to India
- Areas covered: Health, Education, Child Labour Protection
- Total Life touched / benefited ~18k

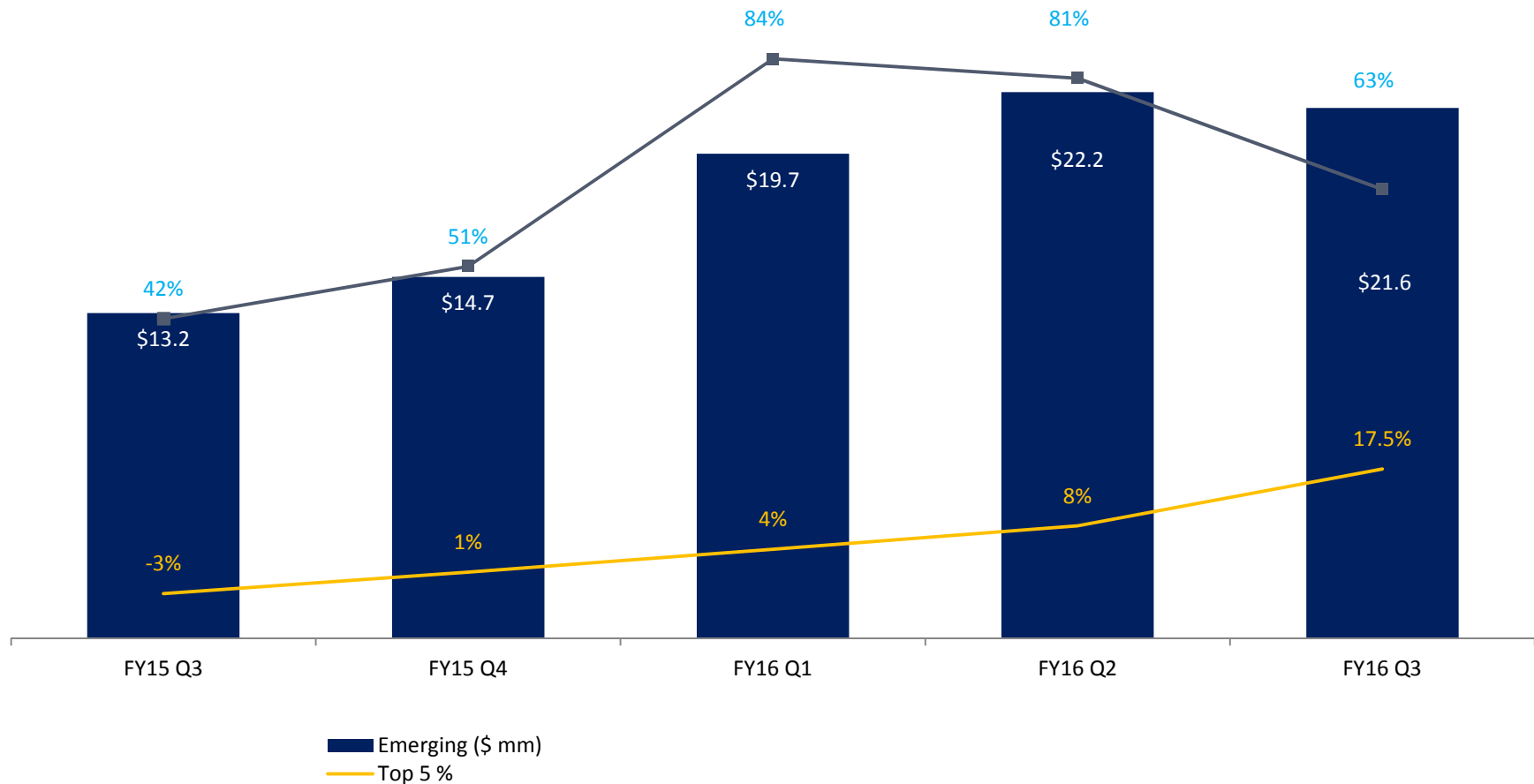
Key Business Metrics



Metrics		FY 16 Q3	FY 16 Q2	FY 16 Q1	FY 15 Q4	FY15 Q3	FY15 Q2
Currency Contribution* (%)	USD	73%	74%	76%	85%	83%	82%
	EURO	18%	18%	15%	10%	12%	13%
	GBP	9%	8%	9%	5%	5%	5%
Geographic Concentration*	North America	67%	67%	72%	78%	78%	74%
	Europe	29%	29%	25%	18%	18%	23%
Debtors (including unbilled)	DSO	71 days	80 days	78 days	81 days	70 days	82 days
Client Concentration	Top 5 contribution	58%	56%	57%	64%	66%	68%
	Top 10 contribution	77%	75%	78%	86%	87%	87%
Billing Mix	FTE	82%	81%	85%	95%	95%	94%
	SEZ Revenue	66%	67%	69%	73%	72%	68%
Staff Utilization		69%	67%	65%	65%	65%	64%
Client Contribution* (based on 12 month accrued revenue)	US\$ 500k+ Clients	16	9	9	7	6	3
	US\$ 1mm+ Clients	13	12	10	7	7	9
	US\$ 5mm+ Clients	7	7	7	7	7	6

*Other smaller currencies, geographies and client contribution not shown

Revenue Mix Trends – Consol

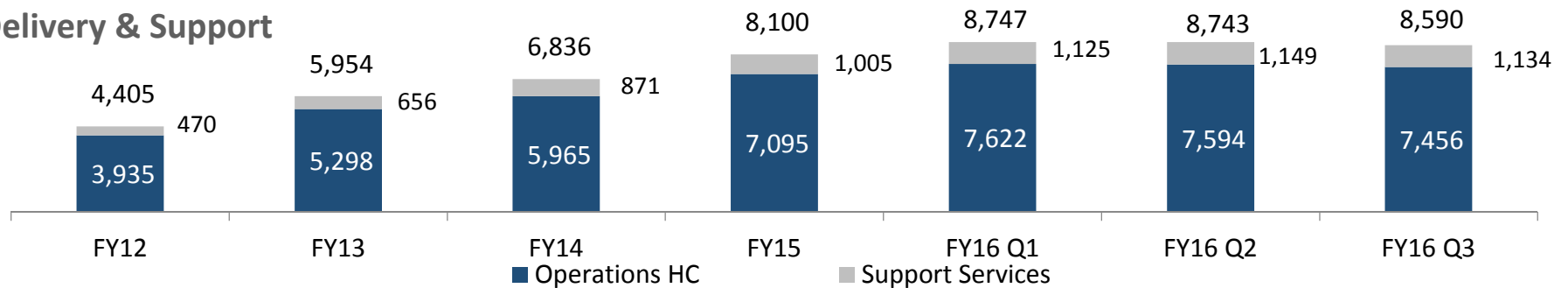


- Organic Top 5 USD growth is 17.5% (CC 20.4%)
- Emerging organic YoY \$ growth tepid this quarter at ~17% (CC ~18%)
- Revenues adjacency of few top5 and emerging clients likely to cause fluctuations

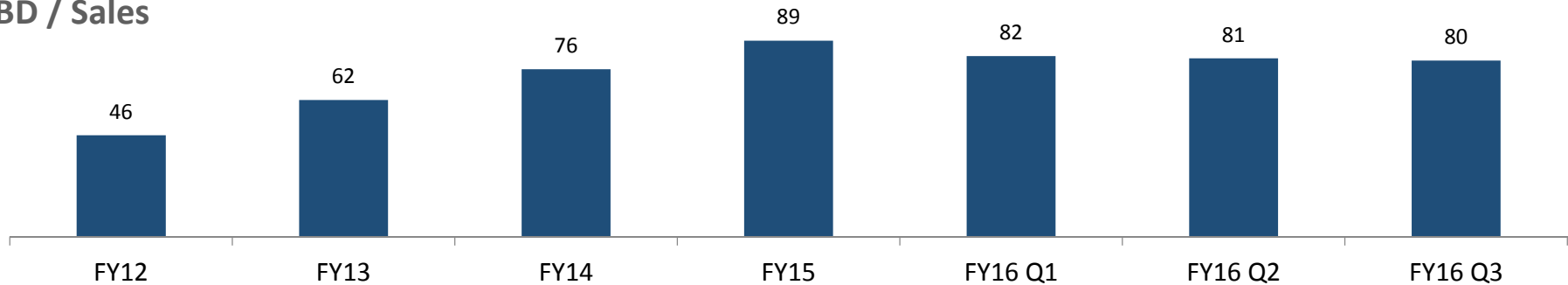
Human Resources Update



Delivery & Support

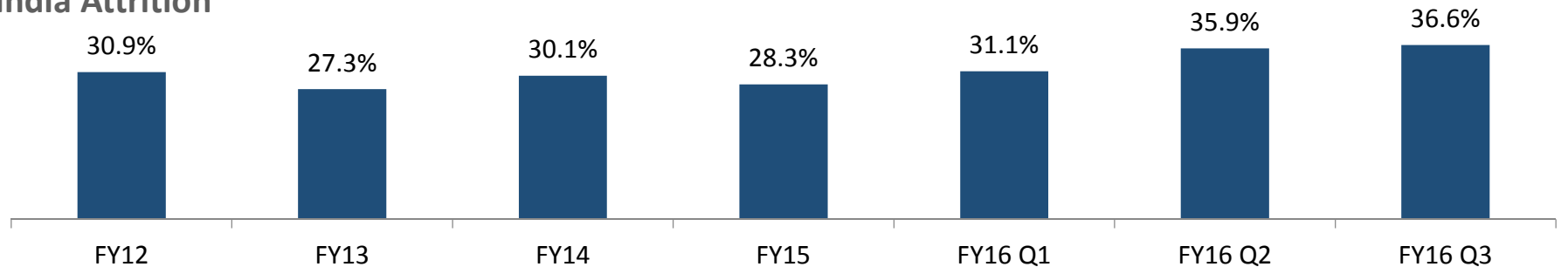


BD / Sales



* FY16 Q1 onwards includes CLX- Realignment of onshore delivery roles and exclusion of onshore admin roles

India Attrition



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Thank You

Balance Sheet Abstract



Particulars	31-Dec-15	30-Sep-15	% of Change
Shareholder's Funds			
Capital	407.2	304.6	33.7%
Minority Interest	6.3	6.8	-
Reserves and Surplus	9,437.8	8,559.1	10%
Total Shareholder's Funds	9,851.3	8,870.4	11%
Application of Funds			
Fixed Assets	3,492.3	3,583.4	-3%
Deferred Tax Assets (net)	-6.5	-10.4	-37%
Net Current Assets and Investments (Liquid)	6,365.6	5,297.4	20%
Total Application of Funds	9,851.3	8,870.4	11%

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY16 Q3	FY16 Q2	FY16 Q1	FY15 Q4	FY15 Q3
Revenue	Total Revenue (INR mn)	3,485	3,399	3,142	2,610	2,530
	Opg Revenue (INR mn)	3,443	3,285	2,983	2,513	2,416
	Opg Revenue (USD mn)	51.8	50.2	46.4	40.7	38.9
Profit	EBITDA (INR mn)	1288	1335	1152	826	924
	OPM (INR mn)	1107	1094	891	584	683
	Net Profit (INR mn)	887	927	732	532	608
Margin	EBITDA	37%	39%	37%	32%	37%
	OPM	32%	33%	30%	23%	28%
	Net Profit	25%	27%	23%	20%	24%
EPS	Basic	21.8	22.9	18.1	13.2	15.1
	Diluted	21.4	22.4	17.8	12.9	14.7

P&L Comparison – Quarterly View



Operating P&L	FY16 Q3	OPR (%)	FY16 Q2	OPR (%)	FY16 Q1	OPR (%)	FY15 Q4	OPR (%)	FY15 Q3	OPR (%)
Operating Revenue	3,443		3,285		2,983		2,513		2,416	
Cost of Revenues										
Employee Cost	1,361	40%	1,266	39%	1,191	40%	949	38%	883	37%
General and Administrative Expenses										
Rent	131	4%	115	3%	116	4%	90	4%	107	4%
Communication Expenses	52	2%	44	1%	43	1%	36	1%	34	1%
Legal and Professional Fees	54	2%	38	1%	36	1%	115	5%	45	2%
Electricity	31	1%	27	1%	28	1%	35	1%	24	1%
Conveyance	18	0.5%	22	0.7%	18	0.6%	14	0.6%	25	1.1%
Provision for Bad Debt	-	0%	0	0%	0	0%	2	0%	-	0%
Others (including CSR)	106	3%	136	4%	123	4%	107	4%	104	4%
Total G&A	392	11%	383	12%	364	12%	399	16%	340	14%
Selling and Distribution*	444	13%	415	13%	434	15%	436	17%	383	16%
Depreciation, Interest and Amortization	139	4%	127	4%	102	3%	146	6%	127	5%
Total Operating Cost	2,336	68%	2,191	67%	2,092	70%	1,929	77%	1,733	72%
Operating Profit	1,107	32%	1,094	33%	891	30%	584	23%	683	28%

*Selling and Distribution includes employee cost of onsite business development team.

Figures in INR millions.

Revenue Quality – Quarterly View



Metrics		FY16 Q3	FY16 Q2	FY16 Q1	FY15 Q4	FY15 Q3	FY15 Q2	FY15 Q1	FY14 Q4
Revenue Growth (%)	USD	3.2%	8.1%	14.2%	4.6%	2.1%	5.1%	2.0%	-0.4%
	Constant Currency	4.2%	7.7%	4.0%	6.3%	3.1%	5.6%	1.9%	-0.6%
Currency Concentration (%)	USD	73%	74%	76%	85%	83%	82%	81%	80%
	EURO	18%	18%	15%	10%	12%	13%	14%	14%
	GBP	9%	8%	9%	5%	5%	5%	5%	5%
	Other	0%	0%	0%	0%	0%	0%	0%	1%
Geographic Concentration	North America	67%	67%	72%	78%	78%	74%	73%	74%
	Europe	29%	29%	25%	18%	18%	23%	22%	22%
	ROW	4%	4%	3%	4%	3%	3%	5%	4%
Debtors	DSO (including Un-billed)	71 days	80 days	78 days	81 days	70 days	82 days	77 days	75 days
Client	Top 5 contribution	58%	56%	57%	64%	66%	68%	71%	73%
	Top 10 contribution	77%	75%	78%	86%	87%	87%	88%	89%
Billing Mix	FTE	82%	81%	85%	95%	95%	94%	94%	94%
	SEZ Revenue	66%	67%	69%	73%	72%	68%	61%	60%
Seat Count		8,522	8,601	7,806	7,640	7,439	7,341	7,073	6,391
Staff Utilization		69%	67%	65%	65%	65%	64%	61%	64%